



U.S. Department of Justice

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NEWS RELEASE

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced today the arrest of seven individuals: Walter Sonny Stevens, age 41, of Charlotte, NC; John R. Boley, age 25, of Muncie, IN; Rockie W. Demitro, age 25, of Arlington, VA; John Nicholas, age 24, address unknown; Ricky Kastello, age 26, of Falls Church, VA; Rocky A. Kastello, age 32, of Alexandria, VA; and, Santino J. Thompson, age 19, address unknown, as part of "Operation Moving Target", a large-scale, staged accident fraud initiative. These seven individuals have been charged with conspiracy to commit interstate transportation of stolen property and mail fraud. If convicted, they each face a maximum penalty of five years imprisonment, a \$250,000 fine, and mandatory restitution.

These defendants are co-conspirators in a well-organized criminal enterprise, whose members stole automobiles from a car dealership in Anderson, Indiana, by using false information to obtain credit for the purchase of the cars and by driving them off the lot before the lenders discovered the fraud. The conspirators then drove the cars to Northern Virginia where they staged accidents by intentionally driving into stationary objects or deliberately colliding with innocent victims. Then they filed false insurance claims for damages. To date, conspirators involved in this enterprise have caused at least \$300,000 in losses to their victims.

Thus far, Operation Moving Target has shut down two other groups which have been involved in staged accident schemes in Northern Virginia. Members of these two groups, consisting of a total of 13 individuals, have either been charged or have pleaded guilty and are awaiting sentencing as part of Operation Moving Target. Specific charges depend on the circumstances of each case. Maximum penalties range from 5-20 years imprisonment and \$250,000 in fines, depending on the charge.

In sum, 20 individuals have been charged as part of this initiative, and have caused at least \$1,000,000 in losses to insurance companies and other victims of their crimes. In addition, some of these schemes have placed the public at risk of serious bodily injury or death in cases where the perpetrators have deliberately collided with cars driven by innocent victims and then made false claims for damages against the victims' insurance companies.

In one commonly used scheme, a member of the ring who holds a legitimate automobile insurance policy with his insurance company calls his insurance company, falsely claiming to have been in an accident and then admits fault. Another member acts as the claimant, the person whose property had been damaged or who had been injured. The claimant then calls the same insurer, falsely claiming that the insured driver was at fault and alleges that the claimant's car had been damaged as a result. Then, a ring member would bring the damaged vehicle to a drive-through inspection station operated by the insurance company for an estimate to repair the damage. If the fraud goes undetected, the targeted insurer will settle the claim with the claimant, often by issuing the claimant a check for the estimated cost to repair the "damage" to the car. The claimant will split the check with other co-conspirators. The claimant often will not fix the car; instead, the claimant presents the same car with the same damage to multiple insurers.

These rings employ a variety of techniques to further their schemes, including: complaining of soft-tissue injuries, which are difficult to disprove, and deliberately seeking health care treatment from disreputable health care practitioners who may assist them in padding claims; using shill witnesses to corroborate the accused's version of the alleged accident; using forged medical bills and receipts to "document" their expenses; and, using props and multiple license plates.

Officials from the following eight agencies, who formed a task force to undertake this initiative, participated in the announcement: Federal Bureau of Investigation; Social Security Administration, Office of Inspector General; United States Department of Homeland Security, Bureau of Immigration and Customs Enforcement; United States Postal Inspection Service; Fairfax County Police Department; Virginia State Police; Arlington County Police Department; and the National Insurance Crime Bureau

Special Assistant United States Attorney Lou Ruffino and Assistant United States Attorney Steve A. Linick coordinated the operation on behalf of the United States Attorney's Office.

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